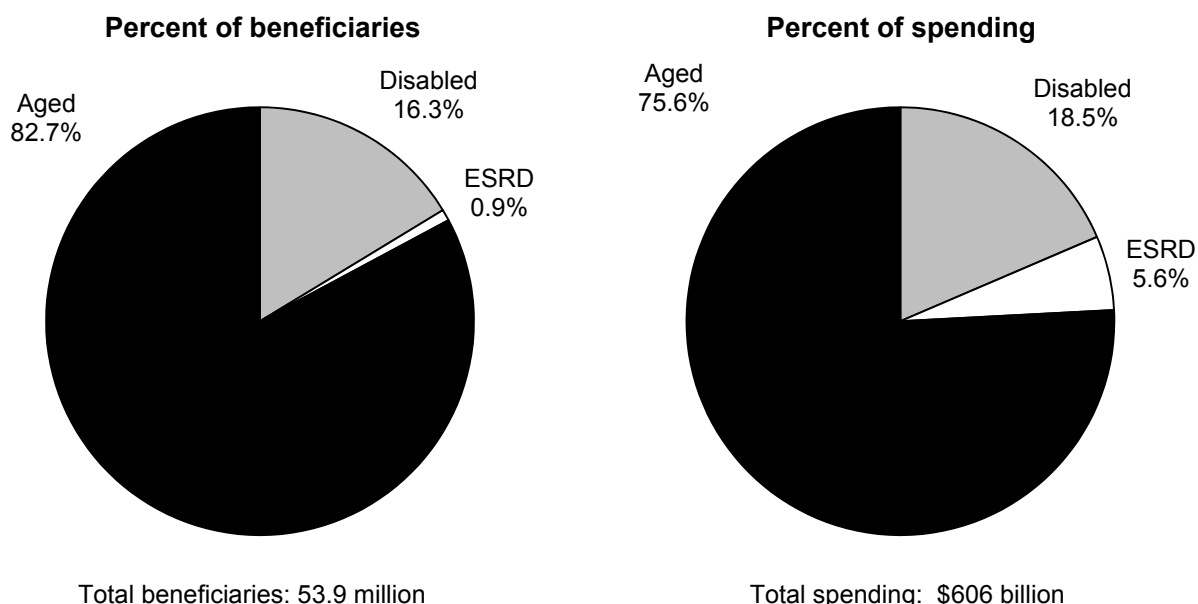


SECTION

2

**Medicare beneficiary
demographics**

Chart 2-1. Aged beneficiaries accounted for the greatest share of the Medicare population and program spending, 2013

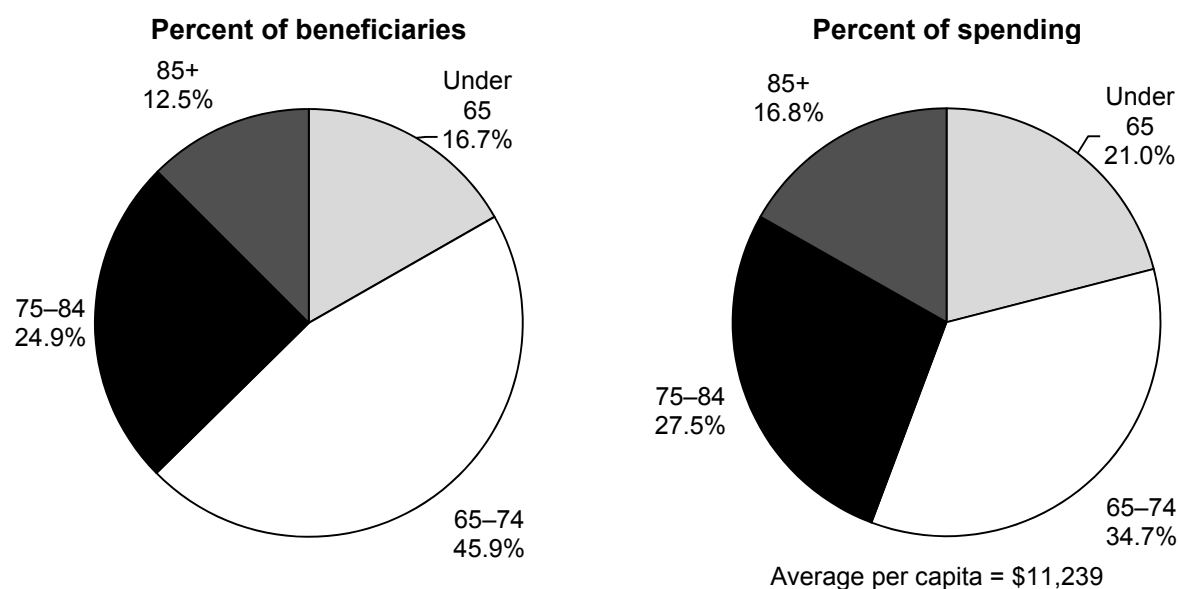


Note: ESRD (end-stage renal disease). The “aged” category includes beneficiaries ages 65 and older without ESRD. The “disabled” category includes beneficiaries under age 65 without ESRD. The “ESRD” category includes beneficiaries with ESRD, regardless of age. Results include fee-for-service, Medicare Advantage, community-dwelling, and institutionalized beneficiaries. Totals may not sum to 100 percent due to rounding.

Source: AT THE TIME THIS DATA BOOK WAS PREPARED, ONLY PART OF THE MEDICARE CURRENT BENEFICIARY SURVEY (MCBS), WHICH IS THE CUSTOMARY SOURCE OF DATA FOR THIS CHART, HAD BEEN RELEASED FOR 2015. THIS CHART REFLECTS MEDPAC ANALYSIS OF THE 2013 MCBS COST AND USE FILES, WHICH ARE THE MOST RECENT AVAILABLE. (THERE ARE NO MCBS DATA FOR 2014.) THE READER IS ADVISED TO CONSULT THE 2015 MCBS DIRECTLY, WHEN THE COMPLETE SURVEY BECOMES AVAILABLE, FOR THE MOST CURRENT VERSION OF THESE DATA.

- In 2013, beneficiaries ages 65 and older without ESRD composed 82.7 percent of the beneficiary population and accounted for 75.6 percent of Medicare spending. Beneficiaries under 65 with a disability and beneficiaries with ESRD accounted for the remaining population and spending.
- In 2013, average Medicare spending per beneficiary was \$11,239 (data not shown).
- A disproportionate share of Medicare expenditures is devoted to Medicare beneficiaries with ESRD. On average, these beneficiaries incur spending that is more than seven times greater than spending for aged beneficiaries (ages 65 years and older without ESRD) or for beneficiaries under age 65 with disability (non-ESRD). In 2013, \$72,725 was spent per ESRD beneficiary versus \$10,265 per aged beneficiary and \$12,776 per beneficiary under age 65 enrolled because of disability (data not shown).

Chart 2-2. Medicare enrollment and spending by age group, 2013

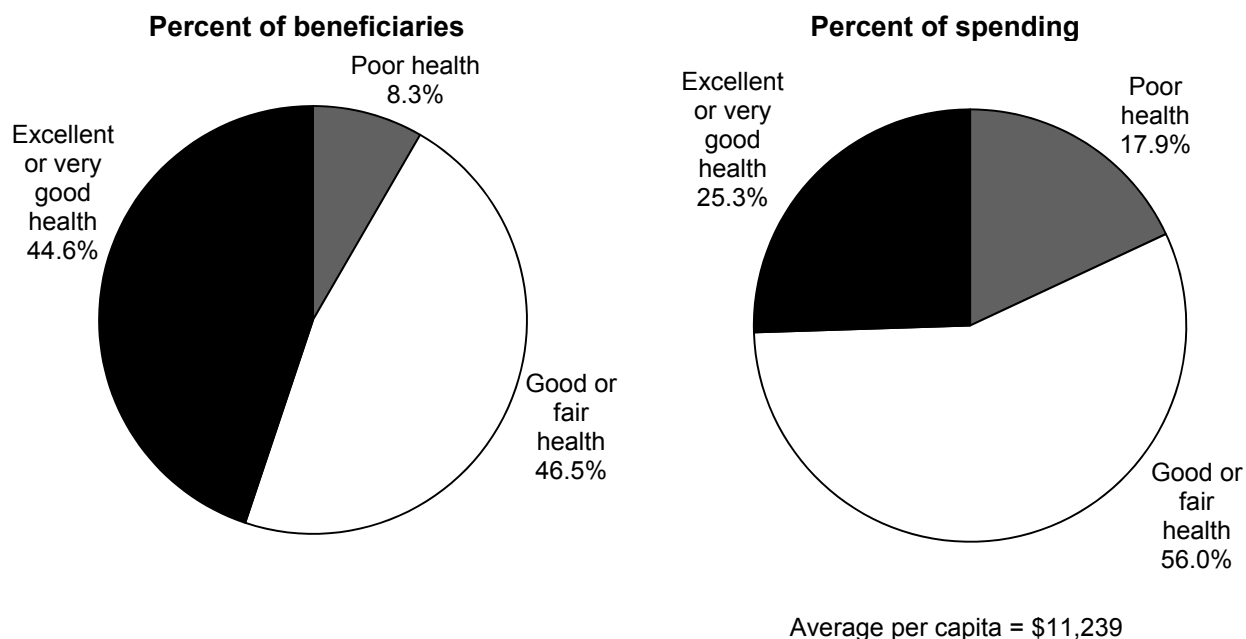


Note: Results include fee-for-service, Medicare Advantage, community-dwelling, and institutionalized beneficiaries.

Source: AT THE TIME THIS DATA BOOK WAS PREPARED, ONLY PART OF THE MEDICARE CURRENT BENEFICIARY SURVEY (MCBS), WHICH IS THE CUSTOMARY SOURCE OF DATA FOR THIS CHART, HAD BEEN RELEASED FOR 2015. THIS CHART REFLECTS MEDPAC ANALYSIS OF THE 2013 MCBS COST AND USE FILES, WHICH ARE THE MOST RECENT AVAILABLE. (THERE ARE NO MCBS DATA FOR 2014.) THE READER IS ADVISED TO CONSULT THE 2015 MCBS DIRECTLY, WHEN THE COMPLETE SURVEY BECOMES AVAILABLE, FOR THE MOST CURRENT VERSION OF THESE DATA.

- For the aged population (65 and older), per capita expenditures increase with age. In 2013, per capita expenditures were \$8,506 for beneficiaries 65 to 74 years old, \$12,416 for those 75 to 84 years old, and \$15,138 for those 85 or older (data not shown).
- In 2013, per capita expenditures for Medicare beneficiaries under age 65 who were enrolled because of end-stage renal disease or disability were \$14,063 (data not shown).

Chart 2-3. Beneficiaries who reported being in poor health accounted for a disproportionate share of Medicare spending, 2013

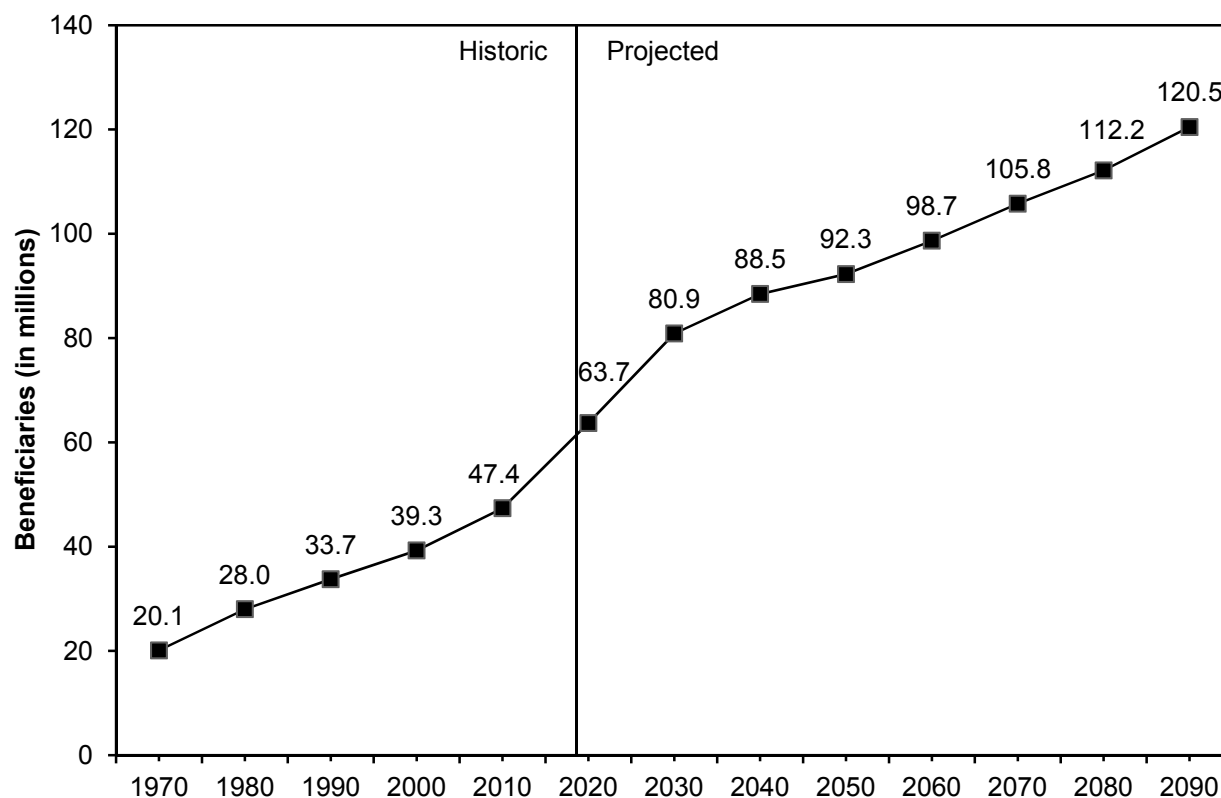


Note: Results include fee-for-service, Medicare Advantage, community-dwelling, and institutionalized beneficiaries. Totals may not sum to 100 percent due to rounding and exclusion of an "other" category.

Source: AT THE TIME THIS DATA BOOK WAS PREPARED, ONLY PART OF THE MEDICARE CURRENT BENEFICIARY SURVEY (MCBS), WHICH IS THE CUSTOMARY SOURCE OF DATA FOR THIS CHART, HAD BEEN RELEASED FOR 2015. THIS CHART REFLECTS MEDPAC ANALYSIS OF THE 2013 MCBS COST AND USE FILES, WHICH ARE THE MOST RECENT AVAILABLE. (THERE ARE NO MCBS DATA FOR 2014.) THE READER IS ADVISED TO CONSULT THE 2015 MCBS DIRECTLY, WHEN THE COMPLETE SURVEY BECOMES AVAILABLE, FOR THE MOST CURRENT VERSION OF THESE DATA.

- In 2013, most beneficiaries reported fair to excellent health. Fewer than 10 percent reported poor health.
- Medicare spending is strongly associated with self-reported health status. In 2013, per capita expenditures were \$6,382 for those who reported excellent or very good health, \$13,500 for those who reported good or fair health, and \$24,131 for those who reported poor health (data not shown).

Chart 2-4. Enrollment in the Medicare program is projected to grow rapidly through 2030



Note: Enrollment numbers are based on Part A enrollment only. Beneficiaries enrolled only in Part B are not included.

Source: The annual report of the Boards of Trustees of the Medicare trust funds 2017.

- The total number of people enrolled in the Medicare program will increase from 56 million in 2016 to about 81 million in 2030.
- The rate of increase in Medicare enrollment will accelerate until 2030 as more members of the baby-boom generation become eligible, at which point it will continue to increase, but more slowly, after the entire baby-boom generation has become eligible.

Chart 2-5. Characteristics of the Medicare population, 2015

Characteristic	Percent of the Medicare population	Characteristic	Percent of the Medicare population
Total (53.9 million)	100%	Living arrangement	
Sex		Institution	3%
Male	45	Alone	29
Female	55	With spouse	48
		Other	19
Race/ethnicity		Education	
White, non-Hispanic	74	No high school diploma	18
African American, non-Hispanic	10	High school diploma only	28
Hispanic	9	Some college or more	54
Other	7	Income status	
Age		Below poverty	15
<65	16	100–125% of poverty	9
65–74	46	125–200% of poverty	19
75–84	26	200–400% of poverty	27
85+	11	Over 400% of poverty	31
Health status		Supplemental insurance status	
Excellent or very good	44	Medicare only	14
Good or fair	48	Managed care	34
Poor	7	Employer-sponsored insurance	22
		Medigap	17
Residence		Medigap with employer-sponsored insurance	1
Urban	79	Medicaid	12
Rural	21	Other	1

Note: "Urban" indicates beneficiaries living in metropolitan statistical areas (MSAs). "Rural" indicates beneficiaries living outside MSAs. In 2015, poverty was defined as income of \$11,367 for people living alone and \$14,342 for married couples. Totals may not sum to 100 percent due to rounding and exclusion of an "other" category. Poverty thresholds are calculated by the U.S. Census Bureau (<https://www.census.gov/data/tables/time-series/demo/income-poverty/historical-poverty-thresholds.html>). Some beneficiaries may have more than one type of supplemental insurance.

Source: MedPAC analysis of the Medicare Current Beneficiary Survey, Cost and Use file 2015.

- Most Medicare beneficiaries are female and White.
- About one-fifth of beneficiaries live in rural areas.
- Twenty-nine percent of the Medicare population lives alone.
- Eighteen percent of beneficiaries do not have a high school diploma.
- Most Medicare beneficiaries have some source of supplemental insurance. Managed care plans are the most common source of supplemental coverage.

